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# Alberta Public Works, Supply and Services

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Annual Report  
1993-94

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## Mission

To reduce the costs of common services needed  
to support government program delivery.





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ALBERTA

PUBLIC WORKS, SUPPLY AND SERVICES

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*Office of the Minister*

*MLA, Drayton Valley — Calmar*

October 1994

Honourable Stan Schumacher  
Office of the Speaker  
Legislative Assembly of Alberta  
Room 325, Legislature Building  
Edmonton, Alberta  
T5K 2B6

Dear Sir:

It is my honour to present to you the Annual Report of Alberta Public Works, Supply and Services for the fiscal year ending March 31, 1994.

Sincerely,

Tom Thurber  
Minister

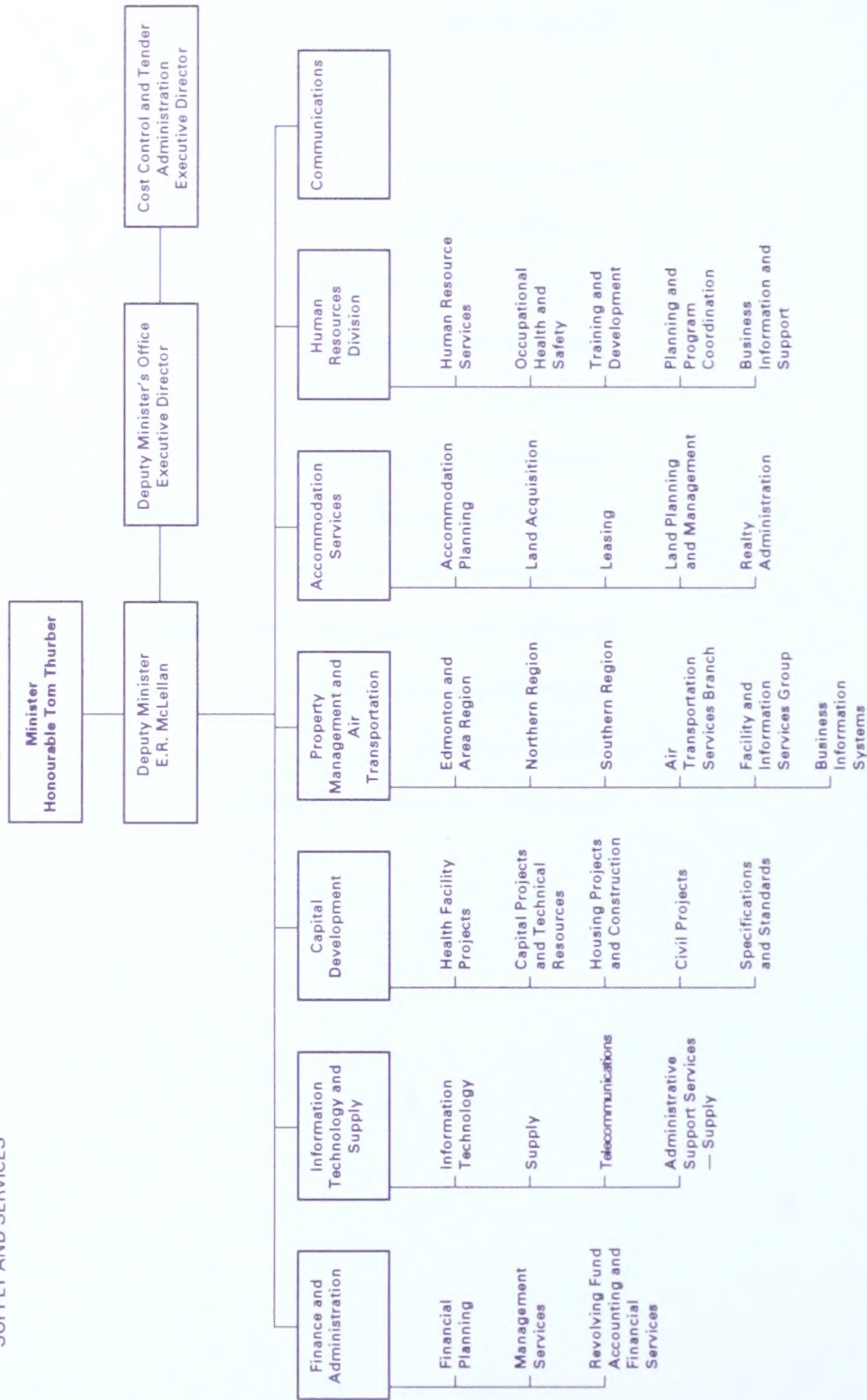


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## Organization Chart





## Department Profile

### Our Mandate

Public Works, Supply and Services (PWSS) is responsible for providing common services required by, and on behalf, of other government departments in the core business areas of capital development, accommodation services, property management and air transportation, and information technology and supply.

### Our Approach to Business

Our approach to business encompasses the following principles, beliefs and values in conducting our business:

- accountable, responsible delivery and consumption of our services
- openness, honesty, fairness, sensitivity and trust in our dealings
- priority setting and management of resources in a fiscally and environmentally responsible manner
- knowledgeable, skilled, service-oriented and adaptable people
- involvement of our customers, stakeholders and staff in the design of solutions and evaluation of their delivery
- partnerships and cooperation with other organizations and individuals to meet the needs of Albertans
- a bias for results — with planning, implementation, evaluation and correction, and a minimum of process, providing the basic model for all that we do

Public Works, Supply and Services is a central agency responsible for providing common services needed to support government program delivery. These services are provided through four main areas in the department — Accommodation Services, Capital Development, Information Technology and Supply, and Property Management and Air Transportation. Four groups — Finance and Administration, Cost Control and Tender Administration, Human Resources, and Communication — provide support to these areas. Following is a brief description of the responsibilities of these areas.

## **Accommodation Services**

Accommodation Services acquires and administers leased space for all government departments and Alberta Treasury Branches, and administers sub-lease arrangements for the Alberta Liquor Control Board. It acquires and manages land for government departments, land within the Restricted Development Areas (Transportation and Utility Corridors) and land for Alberta Treasury Branches. Accommodation Services also disposes of surplus land and property, including surplus Alberta Liquor Control Board properties.

Another area of responsibility is planning and allocating office and warehouse space, designing and developing tenant improvements in leased and owned space, and acquiring furnishings for all departments of government.

Under the Crown Property Municipal Grants Act, municipalities may apply to Alberta Public Works, Supply and Services for a grant to be given in lieu of taxes on Crown property in the municipality. Accommodation Services administered this program for part of the year after which it was transferred to Alberta Municipal Affairs.

## **Capital Development**

Capital Development is responsible for planning, designing and constructing facilities and water management projects for government departments, upgrading senior citizen lodges, coordinating the delivery of health care projects with hospital boards and for providing project management services to the Alberta Liquor Control Board (ALCB), Alberta Treasury Branches and regional library boards.

Capital Development also provides expertise on building-related technical issues — such as air quality in government buildings, hazardous materials investigation and energy conservation — to the department and agencies, boards and crown corporations.

## **Information Technology and Supply**

Information Technology and Supply coordinates the cross-government delivery and management of effective and efficient computer systems and provides data processing services to government departments. Other services it provides to provincial government departments include procuring goods and services, warehousing, disposal of surplus goods, printing services, ground transportation, product standards information and courier services. This area also plans, provides and manages government telecommunications.



## **Property Management and Air Transportation**

Property Management and Air Transportation is responsible for managing, operating and maintaining government-owned facilities. It also develops professional and technical standards to maximize the life expectancy and maintain the asset value of government-owned facilities. This area is also responsible for providing air transportation services to provincial government departments.

## **Finance and Administration**

Finance and Administration provides financial, administrative and information systems services to the department.

## **Cost Control and Tender Administration Division**

This area reports to the Assistant Deputy Minister of Finance and Administration and is responsible for integrating and managing cost planning and cost control of the department's capital construction program. It provides cost advisory services on an ad hoc basis to other provincial government departments, boards, agencies and commissions. It also provides complete tender administration services for general revenue and capital fund projects.

## **Human Resources**

Human Resources is responsible for staffing, job classifications, human resource development, occupational health and safety, employee relations and payroll administration.

## **Communications**

This area provides communications counsel and production services to the department and assists in addressing its internal and external communications needs, including media liaison, publications, special events planning and advertising.

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## Message from the Deputy Minister

### Our Vision

*A professional service organization, enabling the delivery of government services to Albertans by providing quality facilities, products and services meeting demonstrated needs, at low cost.*

The purpose of our department is to enable delivery of government services to Albertans by providing facilities of high quality, and products and services that meet demonstrated needs, at a low cost. In 1993-94, in accordance with the new direction of government towards a debt-free Alberta, our mission is to reduce the costs of common services needed to support government program delivery. This required changes in the department's organization and in the way we do business. We are proud of the manner in which the staff of our department have faced and handled the resulting challenges, and we commend them for their creativity and innovative thinking in finding solutions.

### Our Business Plan

The emphasis throughout 1993-94 has been on cost-cutting initiatives to increase efficiency and effectiveness. These measures include consolidation and amalgamation of services, as well as privatization, outsourcing and downsizing.

In 1993-94, we developed a three-year business plan. The plan established goals for all aspects of the department's services, set targets in all areas, and established performance indicators as an integral part of the plan. As the year's results demonstrate, the department's performance has successfully measured up to these requirements and in some cases has surpassed them.

### Innovation and Flexibility

To increase the responsiveness and effectiveness of our service, as well as to reduce costs, we restructured the organization by amalgamating and consolidating branches and units within the department. We also developed a telecommunications strategic plan to rationalize service, introduce new technologies, and increase



electronic communications connections to non-government organizations.

The Open Bidding Service, introduced this year, now gives suppliers one-window electronic access to tender information; and through the On-line Procurement Information Catalogue, also introduced this year, user departments have access to product information and can place orders. The use of such information technology produces huge savings both in paper and in postal costs, and at the same time increases the quality and timeliness of our service.

## **Optimizing Opportunities**

In line with the government's direction towards privatizing and outsourcing whatever services can be better performed by the private sector, we closed the department's printing services, and targeted the warehousing and distribution branch for closure. We also acted as agent for the Alberta Liquor Control Board in the sale of its retail store network.

## **Government Infrastructure Priorities**

With construction of new facilities limited to those that meet government priorities, only essential capital projects were undertaken and we placed increased emphasis on maintenance of current facilities to maximize their life expectancy.

Supporting the government's priorities in environment, education and health, work was completed on recreation and wildlife mitigation programs for the Oldman River Dam project and on the Northern Fish Hatchery at Cold Lake. Construction was also completed on the new Vocational Training Centre at Desmarais, and work began on long-term care health facilities in Milk River and Sherwood Park and on a replacement hospital in Westlock.

## **The Environment**

In 1993-94, PWSS became the first government body in Western Canada to adopt a set of environmental principles, publicly committing us to continue "greening" our operations and services. In this area, we continue to pursue new initiatives that are either cost-neutral or have demonstrable economic, as well as environmental, returns.

We also developed a Chlorofluorocarbon (CFC) Management Strategy to address the Montreal Protocol decision to cease production of CFCs by the end of 1995.

## Planning for the Future

In the coming year we will continue to break new trails in business planning for government, with the goal of reducing costs as far as is possible without impairing the services we are committed to providing. The emphasis will continue to be on fulfilling or exceeding the goals and meeting the performance measurements in our business plan.

## Details of the Year in Review

The following pages are an in-depth record of the work and achievements of Alberta Public Works, Supply and Services management and staff during the 1993-94 fiscal year. As the report describes, we are either ahead of, or on target, in meeting our business plan goals for the year.

A handwritten signature in black ink, appearing to read 'E. R. McLellan', with a stylized, cursive script.

E.R. McLellan, P.Eng.  
Deputy Minister



# Accommodation Services

## Report from the Assistant Deputy Minister

Accommodation Services acquires, manages and disposes of all land and leased facilities and provides office and warehouse accommodation and furnishings for all government departments, enabling the effective and efficient delivery of services to Albertans. The mission of Accommodation Services is to provide cost-effective services in support of government program delivery.

Accommodation Services' 1993-94 goals were to reduce the amount of leased space and associated furnishings, to dispose of surplus owned properties and to increase the efficiency, as well as reduce the size, of the organization. Table 1 identifies the business plan targets and actual results for each of the quantifiable goals.

At the end of the year, the government occupied approximately 2.3 million gross square metres of government-owned space and approximately 593,000 rentable square metres of leased space. The reduction in leased space from 1992-93 exceeds the targeted reduction by 16,000 square metres, and the targeted reduction in lease costs by \$600,000.

Following are the 1993-94 goals and key results for Accommodation Services.

**Table 1: Goals and Results, Accommodation Services**

Activity	1993-94	
	Target	Results at Year End
<b>Space</b>		
• Leased		
• Area in 1,000s of square metres	609	593
• Ongoing costs (\$ mil)	88.3	87.7
• Owned		
• Area in 1,000s of square metres	2,300	2,300
<b>Property Holdings</b>		
• Surplus Properties (\$ mil)	56.6	64.5
<b>People</b>		
• Full-time Equivalents	157	135

The market value of surplus properties decreased slightly, from \$65.7 million to \$64.5 million, during 1993-94. This decrease was smaller than expected in the business plan as a result of accelerated identification of surplus property holdings. Disposal of General Revenue Fund surplus lands during 1993-94 amounted to \$20.3 million. An additional \$4 million worth of surplus lands held by the Land Purchase Fund were also disposed of during the year.

A significant initiative during the year was the transfer of responsibility for the Grants-In-Lieu of Taxes Program from Public Works, Supply and Services to Municipal Affairs, effective January 1, 1994. This transfer will be cost efficient for government and will also improve delivery of the grant program to municipalities by establishing one point of contact in the Alberta government.

## **Accommodation Planning Division**

Accommodation Planning develops plans for government departments' long-term and short-term requirements for office, warehouse and parking facilities. Accommodation Planning also manages the design and construction of tenant improvements and maintains an inventory of floor space and parking allocations for office and warehouse facilities owned or leased by the government.

During 1993-94, a reduction of 32,000 rentable square metres was achieved from a 1992-93 base of 625,000, doubling the projected reduction in the business plan. This reduction was due to a concerted effort to reclaim under-utilized space resulting from departments organizational restructuring and realignment of departments in December 1992, and downsizing resulting from their business plans.

As well, revenue from civil service parking increased to \$3,028,000 as a result of parking policy rate increases begun in 1991-92.

In 1993-94, Accommodation Planning Division implemented 147 tenant improvement projects. These projects required the services of 48 design consultants and 69 construction contractors and resulted in expenditures of \$4.9 million. Many of the projects involved moving departments from leased space, where we had termination rights, into under-utilized space on an "as-is" basis.

## **Realty Operations**

Realty operations are organized within Accommodation Services in three separate branches: Leasing Branch, Land Planning and Management Branch, and Land Acquisition Branch.

Leasing Branch forms working teams with Accommodation Planning Division to acquire and manage leased space for government, and to identify and market space surplus to program needs.



As of March 31, 1994, the branch managed and administered 671 payable leases, incurring rental payments of \$87.7 million in 1993-94. The branch also undertook the review and payment of claims amounting to \$7.5 million for increases in actual building operating costs and taxes, as provided for in leases with private sector building owners and in tenant services contracts for leased space.

The branch managed and administered 663 receivable leases as of March 31, 1994 resulting in \$9.97 million in rental revenue. Rental revenue includes all revenues associated with lease contracts entered into by the department such as rent, operating cost recovery, property tax, grants-in-lieu of tax recovery and tenant improvement allowances.

Land Planning and Management Branch is responsible for budgeting, coordinating and managing the land acquisition requirements of program departments. Land acquisition requirements are evaluated according to each department's program priorities and in terms of the most cost-effective solution. The branch also plans and budgets for the acquisition of land for the Edmonton and Calgary Transportation and Utility Corridors, and administers the land. As part of the department's commitment to contracting out, private sector firms manage the lands under administration.

The branch serves the department by managing its inventory of land holdings and by dealing with land use issues at the local government level.

During 1993-94, the branch continued to accelerate the identification and marketing of surplus property holdings.

Land Acquisition Branch negotiates the purchase of lands for program departments, the Edmonton and Calgary Transportation and Utility Corridors funded by the Government Land Purchase Fund, reservoir projects included under the Capital Fund, and land transactions associated with departmental construction projects. The branch also administers the sale of properties surplus to government programs and acts as an agent for the Alberta Liquor Control Board and Treasury Branches for sales and purchases of properties.

Alberta Public Works, Supply and Services acquired land for Environmental Protection at a cost of \$6,423,013. The Land Purchase Fund was reimbursed \$10,605,789 for lands put into program use. In anticipation of the repeal of the Government Land Purchases Fund Act, property required for the Edmonton Transportation and Utility Corridor was purchased directly through the General Revenue Fund for \$2,033,500. Seven properties required for the Edmonton and Calgary Transportation and Utility Corridor program were purchased for \$ 6.1 million through the government Land Purchase Fund.

## Other Highlights

- As agent on behalf of the Alberta Liquor Control Board, successfully concluded agreements to terminate, sublease or assign the Alberta Liquor Control Board's (ALCB) interest in 34 of its 48 leased stores. Negotiations were also concluded with a further six private sector operators to lease former ALCB retail outlets in provincially-owned buildings located throughout Alberta. During 1993-94, administered the proposal process for the disposition of 146 ALCB-owned properties. At the end of the year, 109 properties had been sold.
- Transferred ownership of the Foothills Medical Centre site in Calgary to the Foothills Hospital and the University of Calgary. The transfer of lands exemplifies the government's commitment to support programs of benefit to Albertans. The transaction effectively transfers the ownership of land to the boards who are responsible for running the centre.
- Acquired two parcels of land from Municipal Affairs Sales Ltd. to trade as part of the transaction by which the Crown acquired the entire 525-acre Wind Valley landholding, in recognition of the environmental sensitivity of these lands and their ecological importance to Albertans.
- In November 1993, approximately 12,200 acres of land were declared surplus to the original housing program requirements of Alberta Municipal Affairs and were transferred to Alberta Public Works, Supply and Services (PWSS), consistent with the government's initiative to eliminate duplication of services. PWSS has a program for the sale of lands surplus to the requirements of the province. Integrating the sale of the Housing Land Bank with the surplus land sales program of PWSS was undertaken as a further step towards consolidating all government land sales within one department.



## Capital Development

### Report from the Assistant Deputy Minister

Capital Development's mission is to provide professional management of government expenditures on capital facilities, ensuring that they are technically, environmentally and economically viable and are appropriate for programs to be delivered.

To support the Public Works, Supply and Services' business plan and the government's restraint policy, the goals of Capital Development for 1993-94 were to become a responsive, efficient and smaller professional organization, to reduce the number and cost of capital construction projects by constructing only those essential to program deliveries, and to increase the emphasis on maintenance of government-owned facilities. This was achieved by reducing staff and re-engineering business processes, limiting new construction of government facilities and health care projects, and emphasizing the need both to make better use of, and to extend the life of, existing facilities.

In January 1993, Capital Development participated in the department's Workforce Reduction Plan, reducing the number of employees by 58. The reductions resulted from a continuing decrease in capital projects and work volume.

To increase responsiveness and effectiveness, four divisions were amalgamated into two. Project Management and Technical Resources were amalgamated to become Capital Projects and Technical Resources Division; Site Development and Reservoir Development were amalgamated to become Civil Projects Division. This consolidation enabled the two new divisions to share administrative and technical resources better, thus reducing costs and improving effectiveness and response time.

To eliminate duplication and overlap of construction-related activities and to take advantage of the department's construction expertise, responsibility for the delivery of the social housing lodge upgrading program was transferred to PWSS from Alberta Municipal Affairs.

The PWSS business plan sets out a number of strategies that Capital Development is now implementing:

- limit new construction of government facilities, with emphasis on maintenance of existing infrastructure to prevent deterioration of

buildings and facilities; improve utilization of existing owned facilities

- limit new health care facility construction, focusing health care construction resources on maximizing the use of existing facilities
- focus on upgrading and maintenance of existing social housing infrastructure
- implement water development projects within available funds and as regulatory approvals are obtained
- continuing to reduce operating costs through ongoing re-engineering and by implementing cost-saving measures in service delivery, including outsourcing to the private sector and streamlining services

Capital Development operates through the coordinated efforts of five units: Capital Projects and Technical Resources Division, Health Facilities Project Division, Housing Projects and Construction Division, Civil Projects Division, and Specifications and Standards Branch.

## **Capital Projects and Technical Resources Division**

In 1993, the Project Management Division and the Technical Resources Division were amalgamated to become the Capital Projects and Technical Resources Division. This streamlined the operations, eliminated one executive management position and enabled staff to perform business in a more proactive, efficient and effective way. The amalgamated division was reorganized to reflect the province's reduced requirements for capital projects and the government's restraint policy, while maintaining a strong technical resource to support existing infrastructure.

Major staff reductions occurred towards the end of the fiscal year as part of the department's Workforce Reduction Plan. Services formerly provided by in-house staff were either discontinued, streamlined, or discontinued in-house and transferred to private sector consultants.

The capital development group provides the professional and management services required to plan and deliver building construction projects for government departments and to boards and agencies on request.

In 1993-94, the division managed 310 projects with total expenditures of \$16.2 million from a projected cash flow of \$26 million. This expenditure reduction resulted from the division using a proactive approach to ensure that only essential projects were undertaken. Several projects were cancelled after being reviewed with program

departments. Other projects were deferred as being lower priorities. Architects and engineers from private firms were retained as consultants to design the projects and monitor their construction. All essential maintenance and program-related projects were planned and/or delivered during the fiscal year.

The technical resources group provides professional technical support services to the department, its clients, and some agencies. The group provided technical support, to maximize the project value and protect the asset value of the facilities, to the department's capital and maintenance programs and to other related programs including health, housing, office space and other government-owned or leased facilities.

More than 1,300 projects, including complex technical investigations, design reviews and value engineering projects, were completed by the multiple disciplines in the technical group. Extensive guidance was provided to private sector consultants in determining cost effective and technically sound solutions to engineering and building science problems. The investigations helped to determine future capital and maintenance project priorities. Technical studies were used to evaluate the life expectancy or benefits of keeping certain facilities.

Design reviews involving in-house staff and their private sector colleagues were conducted on the majority of projects, using the knowledge gained from developing, owning and operating over 2,000 buildings. Value engineering involved reviewing and selecting the most cost effective solutions for new and upgraded facilities. In 1993-94, the division commissioned 92 consultant firms to investigate specific problems and evaluate facilities for government as well as capital projects for boards and agencies. Total expenditures on fees was approximately \$4.3 million for 167 projects completed by consultants, some of whom handled more than one project.

## **Health Facility Projects Division**

Health Facility Projects Division is responsible for budgeting, funding and monitoring capital projects involving hospitals, nursing homes and health units incorporated in existing health facilities. When requested by boards of health facilities, the division also acts as the project manager for the design and construction of their projects.

At the beginning of the 1993-94 fiscal year, government approved a \$166.3 million budget which included the following projects:

- 39 approved hospital projects, 12 in Edmonton, Calgary and Lethbridge and 27 in other cities and towns
- four new health units in Medicine Hat, Airdrie, High Level and Fort Chipewyan



- \$20 million for capital upgrading projects under \$1 million and \$2.8 million for major capital upgrading projects over \$1 million
- \$2.0 million for waste management (biomedical waste cold storage units) at health facilities throughout the province

In keeping with Albertans' demands that the government put its financial house in order, Health Minister Shirley McClellan announced, in October 1993, a \$122 million reduction in health spending for the 1993-94 fiscal year.

This reduced the division's 1993-94 budget by \$31.8 million to \$134.5 million and the capital upgrading budget to \$14.6 million. To accomplish this reduction, work was deferred on 27 major health care projects and on a number of capital upgrading projects in the planning and design stages. Seventeen projects that were under construction were allowed to continue. Actual expenditures for the 1993-94 fiscal year totalled \$133.3 million, which included \$13.5 million for capital upgrading projects.

Prior to the October 1993 decision, three projects were approved for construction. These projects were deemed to be priorities that meet the demonstrated needs of Albertans. The three projects were the 21-bed long-term care addition at the Border Counties General Hospital in Milk River, the 75-bed long-term care facility in Sherwood Park and a 65-bed replacement hospital in Westlock.

The new 200-bed St. Joseph's Auxiliary Hospital in Edmonton was officially opened in November 1993 which replaced the 48-year-old hospital.

Construction was also completed on:

- a 15-bed long-term care addition and renovation at Our Lady of the Rosary Hospital in Castor
- a 30-bed long-term care addition and interior renovation at the Elk Point Municipal Hospital
- a 20-bed long-term care addition and renovation at the Galahad Health Care Centre
- a 26-bed long-term care addition and renovation at the Health Care Complex in Hanna
- a 50-bed auxiliary hospital replacement and nursing home renovation in Lloydminster
- a 25-bed acute and 25-bed long-term care replacement facility at the Valleyview Health Centre
- a diagnostic and treatment centre at the Royal Alexandra Hospital in Edmonton

## **Housing Projects and Construction Division**

The Housing Projects and Construction Division administers all capital construction projects for the department on behalf of client departments, boards and agencies of the Alberta government. Upon request, the division provides construction management services to hospitals boards, Metis settlements and other outside agencies.

The division uses private sector contractors to carry out the work. The major responsibilities of the division are to coordinate the project start-up, to monitor schedules and costs, and to ensure that the project is completed in accordance with the contract drawings and specifications. The division resolves disputes, administers claims filed under the Public Works Act and processes progress claims and change orders.

During the 1993-94 fiscal year, the division issued 106 new construction contracts with a total tendered value of \$10,470,385. As well, 26 new commissions totalling \$123,500 were awarded to consultants for materials testing.

In December 1993, responsibility for the social housing lodge upgrading program was transferred to PWSS from Alberta Municipal Affairs. The name of the division was changed from the Construction Division to Housing Projects and Construction Division to reflect the new responsibilities. The primary focus will be on upgrading approximately 100 senior citizen lodges across Alberta over several years.

## **Civil Projects Division**

To achieve administrative efficiency and make maximum use of complementary expertise, Site Development Division and Reservoir Development Division merged to form Civil Projects Division. This division is responsible for budgeting, designing and constructing major water management projects and site development projects. Responsibilities include site services and landscape development; roads, walks, and parking facilities; water supply and distribution, sewage collection and distribution, and gas distribution; legal surveys; demolitions; and coordinating environmental assessments and audits of government-owned sites.

In 1993-94, the division administered 48 new site development projects with a combined tender value of \$2,768,585, and 50 consultant commissions with a total payment of \$237,206. It also responded to over 200 requests for services from other divisions.

Major projects included:

- expanding the Evan Thomas Sewage Treatment Plant in

Kananaskis to meet increased demand and environmental requirements

- upgrading municipal roads, sewer and water systems at various sites including Calgary Spy Hill Correctional Centre, Peace River Correctional Centre, and Ukrainian Cultural Heritage Village
- chairing a task force, which includes representatives from several departments, to review government-owned fuel tanks and provide recommendations for privatizing the fuel supply

On major water management projects, an Environmental Impact Assessment (EIA) for the Pine Coulee Project was completed and submitted for review to Alberta Environmental Protection and the Natural Resources Conservation Board. Preliminary engineering studies were prepared and more detailed design was initiated on both the Pine Coulee and Little Bow River projects. On the Little Bow River Project, additional environmental studies were undertaken in conjunction with Alberta Environmental Protection to incorporate public concerns regarding potential impacts on the Highwood River. Work was also completed on recreation and wildlife mitigation programs for the Oldman River Dam Project, and fisheries mitigation work continued.

## Specifications and Standards Branch

Specifications and Standards Branch is responsible for specifications management, including specification policies, practices and procedures. The branch develops and maintains the department's master specification system which includes consulting and advising on procurement systems and planning, contracting, contract planning and development, and technical specifications.

The branch served the department's capital, civil, health facilities, housing, accommodation, and property management programs. It managed the development of project specifications for all the department's construction contracts and provided advisory services for property management contracts. The emphasis was on providing service and improving consistency to ensure that project specifications addressed scope, quality, time and cost criteria appropriately. In keeping with the departmental business plan, this will continue to be a major focus of branch activities.

The master specification system is the principal means of controlling scope, quality, time and cost on projects. It also results in considerable economies in terms of time saved, communication improved and problems avoided. Maximizing the use and effectiveness of the master specification system continues to be a major goal of the branch



## **Major Department Projects Undertaken**

### **Advanced Education and Career Development**

#### **Alberta Vocational College, Calgary**

Construction began on the initial phase of upgrading the mechanical and sprinkler systems and renovating the facility to accommodate program changes. Work will continue into 1994-95.

Project Cost: \$500,000

#### **Vocational Training Centre, Desmarais**

Construction was completed on the new Vocational Training Centre for occupancy by Alberta Career Development and Employment and Alberta Advanced Education. The facility, which includes classrooms, administrative and office space, a carpentry shop, automotive repair shop and day care centre, replaces the current space in St. John's residence. It was officially opened on September 16, 1993.

Project Cost: \$4,000,000

### **Economic Development and Tourism**

#### **Coal Research Centre, Devon**

Commissioning was initiated for the High Head Laboratory and performance tests were conducted on completed systems. The project continues into 1994-95.

Project Cost: \$350,000

#### **Alberta Research Council (Mill Woods), Edmonton**

Construction was completed on network hubs and cabling for the local area network for computer systems in the building and for connections to external modems.

Project Cost: \$350,000

#### **Sewage Treatment Plant (Evan Thomas area), Kananaskis Country**

Increased development and environmental requirements in Kananaskis Country required expansion of the existing sewage treatment plant at the Evan Thomas area. Construction started on the first contract and will continue in 1994-95. Completion of the second contract is scheduled in the next fiscal year.

Project Cost: \$1,000,000

### **Bow Valley South Campground, Kananaskis Country**

Construction was completed on a pumphouse building, water storage reservoir, filter and pumping system to improve the water supply at the campground.

Project Cost: \$700,000

## **Education**

### **Early Childhood Services Program, various locations**

New portable classroom facilities for the early childhood services program were installed at the Coralwood Adventist Academy in Edmonton. Existing portable classroom facilities were upgraded and relocated to the Christian School, Calgary; Edberg School, Edberg; Old Holy Cross School, Grande Prairie; Reed Ranch School, Olds; Riverside Elementary School, Ponoka; and Prairie Elementary School, Three Hills.

Project Cost: \$520,000

## **Environmental Protection — Forestry, Lands and Wildlife**

### **Sam Livingston Fish Hatchery, Calgary**

Construction began on an addition to house the isolation unit which controls and destroys diseased fish eggs. Completion is scheduled for May 1994.

Project Cost: \$530,000

### **Northern Fish Hatchery, Cold Lake**

Construction was completed of the new water sterilization system that removes IPN virus from lake water before it enters the hatchery. The work included installing a new filtration system and ozonation facilities, and improving the walleye incubation facility.

Project Cost: \$4,200,000

## **Family and Social Services**

### **Single Men's Hostel, Edmonton**

Upgrading and renovations were completed to convert dormitories into single bedrooms to provide more suitable accommodation for longer-term clients. This project also included upgrading nurses' stations and installing a new intake unit.

Project Cost: \$600,000

## **Justice — Attorney General**

### **Provincial Court, Calgary**

Tender documents were prepared for renovation of the main floor into four additional courts. Tenders are to be called in the early part of 1994-95.

Project Cost: \$2,000,000

## **Labour**

### **Alberta Fire Training School, Vermilion**

Construction was completed in September 1993 on the new seven-storey, reinforced concrete, live-fire-training burn building. The new facility satisfies new program requirements and increased training demands. The existing three-storey burn building will continue to be used for self-contained breathing-apparatus training and ground-ladder training.

Project Cost: \$700,000

## **Public Works Supply and Services**

### **Alberta/China Petroleum Technology Exchange and Training Centre, Beijing (China)**

Tender documents for permanent facilities were completed in late spring 1994. The project will provide offices and training rooms in a building owned by China's Research Institute of Petroleum Exploration and Development (RIPED). The completed centre is intended to promote the exchange of training and information in oil and gas technology between Alberta and China. It will also help Alberta industries do business in China. Construction is scheduled to start in the fall of 1994.

Project Cost: \$6,000,000

### **Southern Alberta Jubilee Auditorium, Calgary**

Planning continued on mechanical upgrading, chiller replacement, re-roofing of parts of the auditorium and parkade stairway roofs and fire alarm upgrade. Installation of an electrical reactor to resolve electrical fault problems was completed during 1993-94.

Project Cost: \$1,530,000



### **Young Offenders Centre, Calgary**

Construction began on upgrading the integrated intercom and door lock systems to resolve maintenance problems and to enhance central point operational control. Completion is scheduled for late summer 1994.

Project Cost: \$350,000

### **Northern Alberta Jubilee Auditorium, Edmonton**

The program to upgrade various systems continued. Construction was completed on upgrading the electrical systems to provide fault protection, and upgrading capacities to the stage system, stage emergency lighting and stage distribution system and loading dock replacement. Construction began on the first phase of the mechanical system, and contract documents were completed for the fire alarm upgrade.

Project Cost: \$1,370,000

### **Remand Centre, Edmonton**

Two projects to upgrade mechanical systems were under way. The first project was completing the retrofit of air systems to the staff stations. Construction started on upgrading air quality to the cell areas and included air balancing all mechanical systems. Completion of the cell block work is scheduled for fall 1994.

Project Cost: \$2,400,000

### **Terrace Building, Edmonton**

Construction began on the new uninterruptible power supply system for the Computing Centre. Completion is scheduled for spring 1994.

Project Cost: \$660,000

### **Correctional Centre, Grande Cache**

Construction began on upgrading the integrated intercom and security control systems to resolve maintenance problems. Work included enhancing the operational requirements to permit control of the separate residential units from a central point. Completion is scheduled for fall 1994.

Project Cost: \$500,000

### **Ukrainian Cultural Heritage Village, Mundare**

Construction began on a sewage disposal system consisting of tile fields. The new system was required to provide the capacity needed as

a result of increased usage at the village. Completion is scheduled for the end of June 1994.

Project Cost: \$300,000

## **Transportation and Utilities**

### **Sand Storage Structures, various locations**

Construction began on sand structures in Viking, Rycroft, Edson, Athabasca and Wandering River Transportation Depots. These projects are based on previous research and were initiated to alleviate salt contamination of neighbouring properties. Completion is scheduled for fall 1994.

Project Cost: \$500,000

## **North Eastern Alberta Health Unit**

### **Health Unit, Grand Centre**

The contract to provide detail design and construct this facility was awarded in December 1992. The contractor provided the design documents and construction work on site began the end of March 1993. The facility was completed in September 1993.

Project Cost: \$1,700,000

## **Leduc-Strathcona Health Unit**

### **New Health Unit, Sherwood Park**

The contract to provide detail design and construct this facility was awarded in December 1992. The contractor provided the design documents and construction work on site began mid-March 1993. The facility was completed in October 1993.

Project Cost: \$4,500,000

## **Boards and Agencies**

### **Mount View Health Unit**

#### *Provincial Building, Olds*

Capital Development provided project management services to the Mount View health unit for renovations and alterations to the Olds Provincial Building and for the relocation of the Department of Agriculture. Work was completed in March 1994.

Project Cost: \$484,000

## Fort Dunvegan Historical Society

### *Fort Dunvegan Visitor and Reception Centre, Fairview*

Construction was completed on the visitor reception centre at the Dunvegan provincial historic site. The project was completed in February 1994. Funding for the project was provided under the Canada/Alberta Northern Development Agreement.

Project Cost: \$560,000

## Treasury Branches

Capital Development provided project management services for 18 Alberta Treasury Branch projects throughout the province. The projects included renovations to existing branches, tenant improvements in new leased space and the design and construction of a new branch at Edson. Total expenditure on Alberta Treasury Branch projects was \$5,000,000. Major projects completed during the year included:

Location	Scope Project	Cost
Brooks	renovations to existing branch	\$310,000
Calgary/North Hill	renovations to existing branch	425,000
Calgary/Westhills	tenant improvements in new leased space	540,000
Camrose	renovations to existing branch	530,000
Edmonton/ Terrace Plaza	renovations to existing branch	220,000
Foremost	new branch	450,000
Grande Prairie/Main	renovations to existing branch	800,000
Grimshaw	renovations to existing branch	65,000
Lethbridge	renovations to existing branch	385,000
Taber	renovations to existing branch	350,000
Vulcan	renovations to existing branch	320,000



# Information Technology and Supply

## Report from the Assistant Deputy Minister

During the 1993-94 fiscal year, Information Technology and Supply underwent a transformation to provide more cost effective and efficient support and service. In making these changes, a number of significant results were achieved:

- In meeting government's fiscal targets, the 1992-93 staff complement was reduced by 145 positions through organizational restructuring, government downsizing and increased use of the private sector.
- The budget was reduced by 11.45 per cent for program operations and 21.16 per cent for expenditures in revolving fund operations.
- Computer processing charges for departmental users were reduced by 13 per cent effective April 1, 1993 and a further 20 per cent on December 1, 1993.
- A Telecommunications Strategic Plan was developed and approved that will rationalize service, with resulting cost savings, and introduce new technologies, with greater efficiencies for departments.
- An electronic tendering system, the Open Bidding Service, was introduced and resulted in savings of thousands of dollars because of reduced postage and paper costs.
- Groundwork for implementing Freedom of Information and Privacy legislation was begun.
- Progress was also made on interprovincial trade barrier reduction negotiations; and the use of green products increased.

## Telecommunications Division

The Telecommunications Division plans, provides and manages telecommunications networks, services and facilities for the Alberta government.

In 1993-94, \$42.2 million was spent on delivering and administering telecommunications services and facilities. These services consist of a voice network connecting 40,000 telephone/fax lines and 35 RITE centres, a data network servicing approximately 18,000 computer devices, and a mobile radio system serving 4,000 radios. Over 4,400

service requests were processed as well as 170 additional projects. Through aggressive negotiation of bulk service contracts and planning and implementing effective networks, a savings of approximately \$1.9 million was realized by the division and a further savings of more than \$1 million by program departments. Increased use of digital transmission and the introduction of new technology further reduced the cost of intercity service.

The Alberta government Packet Data Network (AGNpac), with 31 access switches in 26 locations, provides province-wide computer-related data communication facilities to all government departments. AGNpac clients continued to have access to the Systems Network Architecture (SNA) systems. SNA enables most government departments to access applications on PWSS mainframe systems and on one departmental SNA microcomputer system. Improvements were made to better support this broad base of clients. Connections to non-government organizations grew with the need for access to government data. Consolidation of data lines continued, improving the efficiency of the data networks.

The Multi-Departmental Mobile Radio System (MDMRS) continues to serve the needs of nine user departments including Energy, Environmental Protection, Health, and Transportation and Utilities. The control centre of MDMRS handled more than 118,000 calls from department users. More than 4,000 pieces of radio equipment have access to the network. A major study to amalgamate Alberta Transportation and Utilities' Radio System with MDMRS was also initiated.

The Telecommunications Strategic Plan, approved in March 1994, gives the department the mandate to provide leadership, define strategic direction and manage the delivery of services. A three-year business plan, which focused on implementing the strategic plan, was developed. It included a 20 per cent reduction in expenditures and staffing, integration of business, information technology and telecommunications planning, and provision of shared services where there are significant economies of scale.

The 1993-94 fiscal year saw a reduction of staff by five and a 6.5 per cent reduction in expenditures in the division over the previous year.

## **Information Technology Division**

The Information Technology Division plans for, and provides direction, advice, facilities and expertise to support, efficient and effective centralized information technology services to all government departments, boards, commissions and agencies. The division also manages the government records management program and chairs the Public Records Committee.

The new division came into existence in December 1993 with an operating budget of \$46,524,000, a capital budget of \$11,200,000 and a staff complement of 303.5. By the start of the new fiscal year these figures had been reduced to \$41,945,000 (operating), \$9,900,000 (capital) and 270.5 (staff).

Information Technology Division continued a number of cost-cutting initiatives, begun the previous year, including: consolidated the Tax Administration Computing Centre with the Public Works, Supply and Services site, relocated most of the Terrace Building staff to the Public Works, Supply and Services Building, increased standardization and automation of computer operations and software support, combined computer hardware acquisitions with maintenance contracts, eliminated low-use and redundant software products and renegotiated more favourable hardware and software maintenance agreements.

With the creation of this new division, eight branches were consolidated into six, management staff were reduced by eight and duplication of functions was eliminated in the planning, consulting, standards, customer services, training and software support areas. During this restructuring, the new Information Management and Privacy Branch was created to coordinate government-wide implementation of the Freedom of Information and Protection of Privacy Legislation, as the Minister of Public Works, Supply and Services would be responsible for administering the Act.

On privatization, the division completed the shutdown of the data conversion function by moving its remaining workload to the private sector and released tenders to further privatize staff training in personal computers, software, systems and records management. It also issued a Request For Proposal (RFP) to examine the possibility of outsourcing our print services; worked with Municipal Affairs/Registries on the outsourcing RFP for approximately 18 per cent of the computer processing services the division provides; and began preparation of a cross-government RFP to outsource microcomputer support services.

In the policy area, the division reviewed information technology policy and recommended eliminating central control and monitoring. It also continued the role of chairman of the Public Records Committee, reviewing and authorizing record retention and disposition schedules submitted by departments, boards and agencies.

## **Supply Division**

The Supply Division, operating from primary locations in Edmonton and Calgary, continued to offer a wide diversity of support services to user departments, including purchasing, surplus disposals, managing the government executive vehicle fleet, courier services, negotiating



trade barrier reduction, environmentally responsible procurement and supplier development. The division also operates a warehouse which supplies commonly used products to government departments.

Agreement was reached to transfer the Vehicle Services Branch, responsible for the executive vehicle fleet, to Alberta Transportation and Utilities. Closure of the Printing Services Branch was completed effective March 31, 1994. Services are now acquired through the private sector at equivalent or reduced rates. The Warehousing and Distribution Branch is also targeted for elimination, with a scheduled phase out by mid-summer of 1994.

The Purchasing Branch, including the Southern Regional Office, tendered and awarded goods contracts totalling more than \$119.7 million dollars. The Contracted Services Branch awarded contracts worth \$68.2 million dollars for information technology, hardware, software and consulting services. The combined value of these acquisitions, \$187.9, represents a 15 per cent decrease over 1992-93. This downward trend in government expenditures is consistent with the deficit reduction strategy.

The Open Bidding Service, an electronic bulletin board for soliciting tenders, was brought on-line in July 1993 and became fully operational by October 1993. This user-pay system gives vendors one-window access to thousands of federal and western provinces contract opportunities. It will also save PWSS and Alberta taxpayers the thousands of dollars annually that used to be spent on paper and postage to distribute tender documents.

Another electronic initiative, The On-line Procurement Information Catalogue (TOPIC), was introduced during the year. TOPIC is another electronic bulletin board and is used to display product standing offer information to user departments. It replaces massive amounts of paper and allows users up-to-date access to a wide variety of information technology, hardware, software and general commodities. The system can be used to initiate orders and will ultimately be linked to vendors, allowing electronic data interchange.

The Warehousing and Distribution Branch provided a centralized stock item supply program for all government departments. The caretaking product line was eliminated in October 1993 and arrangements were developed for users to obtain these products direct from private sector suppliers. This business strategy was used as the basis to phase out the entire warehouse. In conjunction with the Purchasing Branch, alternative, long-term supply arrangements were negotiated in anticipation of the warehouse closing by mid-summer 1994.

The Central Delivery and Courier Service provides a province-wide delivery service for government material. It also meters all mail sent

through Canada Post, administers incentive mailing rate agreements and coordinates household moves when staff are relocated.

With the privatization of liquor sales and the closing of Alberta Liquor Control Board outlets, the number of locations on the courier network dropped from 171 to 107. The number of shipments was also reduced by 6 per cent to 206,350.

The Courier Service reduced staff and expenses in Edmonton and Lethbridge by contracting out for local delivery. By the end of the year, plans were also finalized for sorting and/or delivery contracts to service Peace River, Grande Prairie and Red Deer. This is part of the departmental business plan and long-term operating strategy to reduce staff and costs for support services.

Surplus Sales managed the disposal of \$3.4 million of surplus government assets. The branch, which also administers the Abandoned Vehicle Disposal Program, recovered approximately \$250,000 through the sale of abandoned vehicles.

Revenue from the sale of surplus government fleet vehicles was down by \$1.359 million to approximately \$204,000. Transportation and Utilities assumed control of the general vehicle fleet on April 1, 1993 and now markets all their surplus vehicles directly.

In line with deficit reduction goals, the department stopped donating surplus material except under special circumstances. Most material is now sold at market rates. Additional emphasis was placed on recycling material within government whenever possible. A project to upgrade the computer system at Surplus Sales, to enhance recycling and improve administrative efficiencies, will begin in 1994-95.

The Supplier Development and Technical Services Branch coordinated implementation of the new Open Bidding Service. A number of internal operational and computer system changes were made and a marketing campaign was directed to Alberta vendors. Success is demonstrated by the fact that more than 2,700 Alberta businesses now subscribe to OBS. The Supply Division no longer has to bear the full cost of producing and distributing some 50,000 tenders each year.

Starting in July 1993, staff from this branch have taken a leading role in the procurement sector aspect of the comprehensive trade barrier reduction initiative. The work involved negotiating the procurement chapter provisions, preparing research and discussion papers, and coordinating input from other departments. This effort has established Alberta as a national leader at the negotiating table.

Environmental activities continue to be a key priority of the department. The volume of green products bought and used continues to increase. For example, government-wide use of recycled copier

paper increased from 86 per cent to 95 per cent of total use. In 1993-94, PWSS became the first government body in Western Canada to adopt a set of environmental principles. These principles publicly commit us to continue "greening" our operations and services. Several new initiatives are being pursued which are either cost neutral or have demonstrable economic, as well as environmental, returns.



# Property Management and Air Transportation

## Report from the Assistant Deputy Minister

Property Management and Air Transportation is a professional service organization committed to providing quality, timely services at reduced cost to support government program delivery. To carry out its commitment, Property Management and Air Transportation comprises three regional property management units, the Air Transportation Services Branch and the Business Information Systems Branch. To establish a closer link and more direct involvement in the management of the department's owned properties, the Facility Information and Services Group was transferred from Capital Development to Property Management and Air Transportation.

The three regional property management units — Edmonton and Area Region, Southern Region and Northern Region — provide or coordinate facility management services for government-owned facilities involving approximately 2.3 million square meters of space. This includes many specialized facilities such as 23 correctional centres, 41 court houses, 26 research facilities, 23 rehabilitation centres, two auditoria, 16 museums and historical sites, 115 maintenance/service/warehouse facilities, 186 office buildings and numerous other facilities ranging from airports to tree nurseries.

Air Transportation Services provides and coordinates fixed-wing and rotary aircraft services for government program departments. Business Information Systems manages the financial and information systems. The Facility Information and Services Group coordinates maintenance planning, facility evaluations and preventative maintenance systems, and provides security and maintenance inspection services for government facilities.

Property Management and Air Transportation's goals and objectives are to:

- provide an acceptable physical working environment
- manage assets and resources to optimize life expectancy while minimizing capital expenditures
- reduce energy consumption
- maintain good occupational, health and safety awareness and programs

- deliver services within a balance of standards and cost
- develop people for the future needs of the organization and the department
- streamline, simplify and eliminate duplication of work processes to reduce costs
- maintain and provide access to accurate information on the operation and maintenance of our assets

In keeping with the department's mission "to reduce the costs of common services needed to support government program delivery," several initiatives were undertaken:

- Extensive review and adjustment of property management services within government-owned facilities resulted in significant reductions in operating expenditures.
- Achieved reduced staffing levels through the government's Separation Payment for Restructuring Program and the department's Workforce Reduction Plan. Workloads were redistributed to remaining staff or outsourced.
- Declared Property Management shop facilities in Edmonton, Grande Prairie and Fort McMurray surplus, and identified them for sale.
- Increased the number of total private sector property management contracts by 10 per cent.
- Provided property management staff with electronic office mail communication and electronic access to business information. The increased use of electronic technology saved considerable administrative time, paper, duplication of work, enhanced the organization's responsiveness, and improved crown-owned facilities ability to share and compare operating and maintenance information.
- Improved the coordination of proposed maintenance projects through maintenance planning initiatives and increased use of electronic data processing technology.

A primary performance indicator is the cost of providing services to support program delivery in a wide variety of facilities. Operational costs per square meter of space managed have declined in each of the last four fiscal years. Overall operating and maintenance costs were reduced by approximately 7 per cent because of the commitment and efforts of dedicated staff and the cooperation of program departments.

This fiscal year also saw a reduction in the number of full-time equivalents (FTEs) within Property Management (see Table 2).

Despite the reduction in staff, the same amount of space was managed by remaining staff with no loss in quality of service.

Safety was a key factor in the provision of services. Property Management noted significant improvement in the number of days lost and the disabling frequency and disabling severity rates (see Table 3). A safety recognition pilot program has been initiated within Property Management and Air Transportation, to recognize employees for safety awareness and to reduce lost time due to injury.

Initiatives such as improving operating practices, technology and equipment within government-owned facilities will be a priority. Use of energy performance contracting as a means of implementing building system and operational improvements will be explored through "pilot" applications.

During the past year, a decision was made to outsource the helicopter services provided by Air Transportation. As a result, the five government-owned Bell 206 helicopters and one Bell 222 helicopter were declared surplus and sold. All government helicopter services will now be acquired through the private sector. This initiative accomplishes three objectives: profits now from the sale of assets; savings in the future by not having to replace the aging fleet; and provision of competitive services from the private sector. Use of government-owned aircraft was reduced by 20 per cent (see Table 4).

Future initiatives for Property Management and Air Transportation will include reducing utility consumption and costs in government-owned buildings. This is a priority for the regional operating units, as utility costs are roughly 30 per cent of overall operating expenditures. Initiatives such as energy performance contracting and improving operating technology and equipment within owned facilities will be an increasing priority.

A Chlorofluorocarbon (CFC) Management Strategy to contain, convert and/or replace of CFCs was developed in conjunction with the department's Technical Resources Division. This addresses the Montreal Protocol decision to cease production of CFCs by the end of 1995. Benchmarking our costs/processes will be an increasing priority.



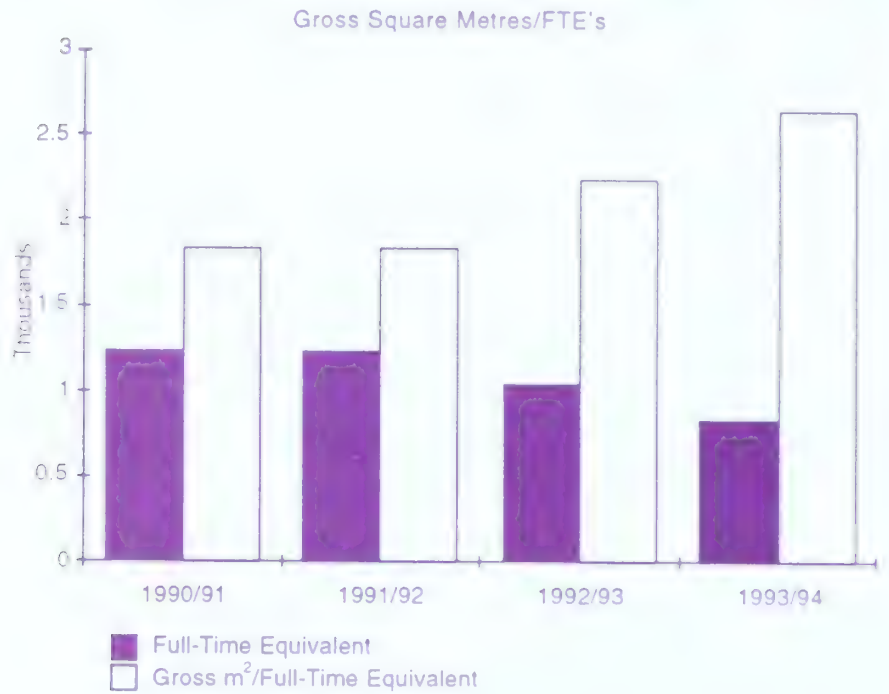
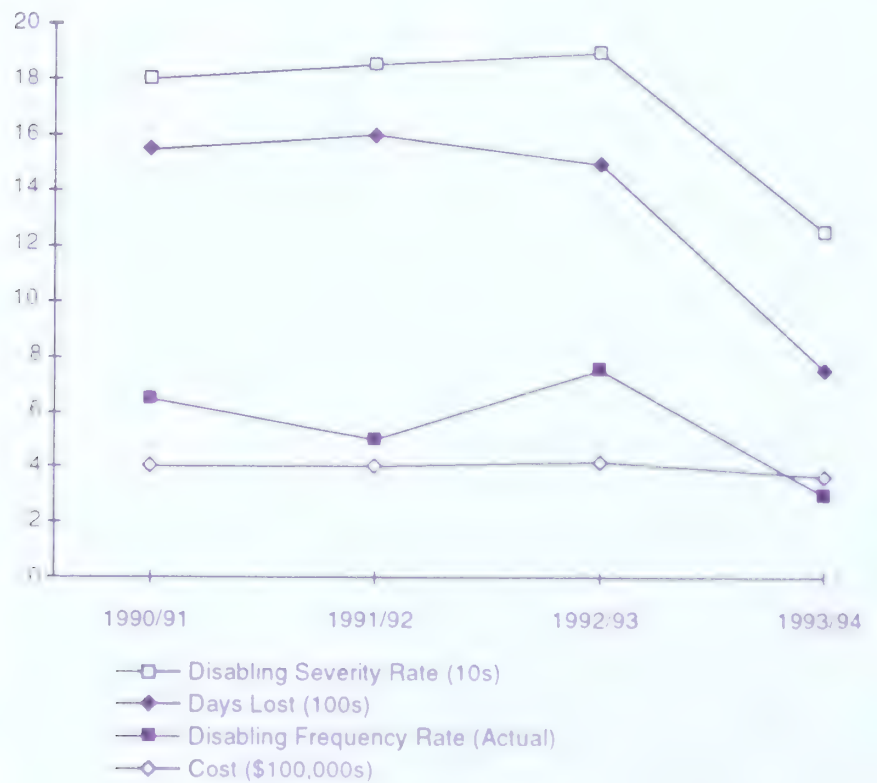
**Table 2: Gross Area Managed per Full-Time Equivalent****Table 3: Occupational Health and Safety**

Table 4: Total Aircraft Use



## Finance and Administration

### Report from the Assistant Deputy Minister

Finance and Administration supports achievement of the department's mission by providing professional finance, administration and automated information systems services to all areas of the department.

In 1993-94, Finance and Administration focused on integrating into the department the many changes brought about by the new approach to government. Facilitating the development of a three-year business plan, a draft Deregulation Action Plan, net budgeting proposals, undertaking a Capital Asset Accounting Project and preparing for the implementation of Freedom of Information and Protection of Privacy Act were key government initiatives. Internally, the focus has been on eliminating paperwork and red tape and pursuing opportunities to automate work processes still viewed as essential. This will continue to be the case for the next year.

Finance and Administration comprises four branches, the Financial Services and Revolving Fund Accounting Branches, Financial Planning Branch, and Management Services Branch.

### Financial Services and Revolving Fund Accounting Branches

The mission of Financial Services and Revolving Fund Accounting Branches is to provide efficient, cost-effective financial processing, advisory and reporting services to the department. In keeping with their mission, the branches established the following goals:

- reduce costs of financial services while maintaining service levels
- tailor financial services to the specific needs of the core businesses
- increase the efficiency of financial procedures and processes

To measure their accomplishments, the branches used the following indicators:

- reduction in expenditures for delivering financial service
- expediting financial transaction processing times to benefit the core businesses and external stakeholders
- documented reviews of financial processes within core businesses and recommended changes



- establishment of electronic and manual processes to enhance service to core businesses

To achieve their goal of reducing costs while maintaining customer service levels, the branches stopped producing detailed listings of system charges for revolving fund user departments. This reduced paper usage by 300,000 sheets per annum and also eliminated sorting and mailing of this amount of paper.

To tailor financial services to the specific needs of the core businesses, the branches streamlined payment procedures in Property Management Division by having the division enter invoice information data rather than sending documents to the Financial Services Branch to be entered.

The branches undertook a number of initiatives that improved the efficiency of financial procedures and processes. One initiative raised the appointment level for Expenditure Officer approval which reduced the number of approval forms needed. Another discontinued the previously allowed one-month extension to pay bills for the fiscal year. Year-end accrual transactions were mechanized, saving approximately 14 staff-days of manual data entry labour. The branch also reduced its bill payment time by 5.5 days by actively seeking out vendors invoices when goods or services were provided. Another initiative reviewed 158 forms to ensure they were necessary and easy to understand. As a result, 21 forms have been revised, 19 amalgamated and 11 discontinued. To simplify Treasury's reporting requirements for the Public Accounts, the branches recorded, valued and amortized \$2.5 billion worth of departmental capital assets.

Future initiatives will include further mechanization and simplification to improve service and the processes of electronic data interchange. The branch will also work with core areas to determine future accounting service needs.

## **Financial Planning Branch**

Financial Planning Branch is responsible for coordinating, analyzing and consolidating the department's budgets for the General Revenue Fund, Capital Fund, Revolving Fund, and the Statutory Appropriation for Nominal Sum Dispositions and Land Trades. In addition, the branch develops strategies and recommendations within the context of the department's business plan to meet budget targets, and provides support services to the department on budget management and related issues. The branch is also responsible for drafting policies on financial management and planning for recommendation to senior management.

In 1993-94, Financial Planning began a comprehensive review and update of financial policies. The goal was to increase fiscal accountability, improve financial management and streamline

procedures. The branch also played a key role in monitoring the department's financial performance in relation to its new three-year business plan. This included regularly monitoring actual departmental expenditures against approved budgets. Within the Financial Planning Branch itself, significant cost savings were achieved and used to absorb unbudgeted costs associated with staff participation in the Separation Payment for Restructuring Program.

The branch also participated in the design of a cross-government forecasting system aimed at improving government's ability to monitor and forecast expenditures. The branch's own automated systems were also enhanced to streamline operations. This improvement included upgrading the budget system to provide more comprehensive financial information and adopting a more cost-effective financial project monitoring system.

The challenge of responding to the government's restraint and deficit elimination objectives will continue into 1994-95. Financial Planning will continue to be environmentally responsible in its daily operations by recycling paper and toner cartridges for laser printers, using office equipment with power-save features and buying "green" products wherever feasible. As appropriate, team building will be promoted within the branch as well as with other areas in the department and the government. Financial Planning will continue to explore ways of simplifying financial administration and increasing line area accountability and responsibility within the context of a smaller, more flexible organization. In its ongoing review of the budget process, the branch will implement innovative budget management tools such as net budgeting and improved expenditure and revenue forecasting in the 1994-95 fiscal year.

## Management Services Branch

Management Services Branch's mission is to continually improve the department's administration and delivery of programs and services by providing practical management solutions. The branch continues to respond to a wide variety of requests — ranging from professional and technical advice on filing systems, computer applications and associated technology platforms, to information on parking stalls, telecommunication changes, and office equipment. The branch also provides many day-to-day services including operating the departmental information line, delivering mail, and providing support for the computer communications network which has more than 800 work stations.

The branch led, coordinated or represented the department on a number of government initiatives and projects, including:

- development of the three-year departmental business plan

- departmental Freedom of Information and Protection of Privacy Program
- Interdepartmental Committee on Deregulation
- Rural Development Action Team
- Information Technology Advisory Council
- Government of Alberta Visual Identity Program Committee
- Government of Alberta Plain Language Program (chair)
- Interdepartmental Strategic Planning Network
- Alberta Government Quality Management Forum (co-chair)
- PWSS Environmental Working Group
- Devolution of Authority and Responsibility for Improvement Districts
- Federal-Provincial Review of Duplication and Overlap
- Government Performance Management System Implementation Steering Committee
- Interdepartmental Copyright Committee

Improved service with reduced cost was a high priority for the branch. Services were improved by increasing partnerships with the private sector and costs were reduced by modifying processes, eliminating duplication, getting out of non-value-added services and by maximizing the effective use of human resources. The branch accomplished this through the following activities:

- provided systems planning and development support for a departmental Electronic Data Processing (EDP) plan valued at more than \$4.5 million. The plan calls for a continued increase in private sector partnerships. In 1993-94, these partnerships accounted for more than 70 per cent of expenditures and involved approximately 40 systems. Costs of private sector resources were reduced by as much as 7.5 per cent as a result of more effective contracting strategies.
- assisted in implementing the Open Bidding Service System, which makes tender-related information available electronically to the private sector
- assisted in implementing the on-line standing offer catalogue which allows departmental clients to view electronic copies of current standing offers and generate order forms
- processed 184 insurance claims, transferred 2,710 cubic feet of inactive records to the Alberta Records Centre and destroyed 3,119 cubic feet of outdated records



- further reduced the number of vehicles leased by 40
- implemented an electronic version of the departmental employee directory system and used the CD-ROM service installed in the library to check magazine use, enabling the cancellation of numerous subscriptions for seldom-used magazines. These two initiatives resulted in a total cost saving of \$35,000.
- Library Services Unit assisted departmental clients with approximately 1,300 in-depth reference requests, and directly served 15,200 clients
- as a result of efforts to increase microcomputer-related end-user self-sufficiency, End User Support Section responded to 700 fewer client support calls and projects associated with microcomputer hardware, software, and mainframe systems than last year. Total number of responses this year was 2,300. In addition, in-house small systems development and maintenance activities were reduced by 45 per cent.
- maintained a 98 per cent availability rate for the department's Wide Area data communications network, and installed a new local area network for the Office of the Minister. Provided province-wide access to the department's Wide Area Network. Also increased data communication speeds to the department by a factor of 10.
- to assist the department in achieving business plan objectives with reduced human resources, the branch acquired and helped install 124 microcomputers, 32 printers, 880 software packages and approximately 2,600 pieces of microcomputer-related components
- established agreements with the private sector to reduce computer repair costs by as much as 10 per cent less than the industry average

# **Cost Control and Tender Administration**

## **Report from the Executive Director**

Cost Control and Tender Administration's mission is to serve the taxpayers of Alberta by devising and implementing budgeting, cost planning, and control processes to ensure best value for money on government-funded construction projects. This group is also responsible for providing statistical data on health facilities, civil projects and owned and leased buildings and for administering the construction tendering process. Consistent with budget restrictions and in cooperation with the consultant industry, the division made cost-effective accommodation and design proposals that contributed to approximately \$13 million in savings on construction projects. During the 1993-94 fiscal year, the division reduced its operating budget by 14 per cent from the previous year. The division also actively encouraged and implemented good environmental principles focusing on waste reduction, re-use and recycling of materials and equipment.

In keeping with the department's three-year business plan, the division worked in partnership with the consultant industry on ways to maximize services and outsource activities. Under the direction of cost managers, private sector consultants were used to monitor project costs. During 1993-94, contracts awarded to cost consultants totalled \$120,650.

The division operates through four branches: Budgetary Development, Cost Planning and Control (with a sub-office located in Calgary), Health Care Facilities, and Operations and Tender Administration.

## **Budgetary Development Branch**

Budgetary Development Branch develops and adapts capital budgetary procedures to respond to the changing needs of clients. The branch also maintains a budgetary system that combines efficiency, accuracy and flexibility, and that enables results to meet or exceed demonstrated needs, at low cost.

The branch used and adapted automated systems and procedures to generate data for the 1994-95 budgetary process. This enabled the branch to respond to changing criteria and reporting requirements without jeopardizing deadlines. The branch also produced interim reports and budgetary data within set time frames.

During 1993-94, the branch presented to Treasury, for approval, budget submissions for 367 projects with a cash flow of \$243 million. Of this, \$195 million was approved. In addition, 41 carry-over projects with a cash flow of around \$3 million were approved.

To provide further information on projects and to improve budgetary decisions, major changes were incorporated into the automated budgetary system. These included providing expanded project scope descriptions, justifying the project and outlining the consequences of deferral. Data and displays on scheduling were imported from a separate automated system and matched to the projected cash flows. New report formats were produced using more data than had been previously possible. All reporting and data production deadlines were met.

An overview of the budgetary process has identified further changes in procedure which, when automated, will increase efficiency and significantly reduce resource time and materials.

## **Cost Planning and Control Branch**

Cost Planning and Control Branch provides effective cost planning and control services and responds to economic changes. It also has a value management function with the objective of extending the useful life of existing facilities and ensuring best value for money on new projects. During 1993-94, the branch responded to approximately 600 requests for service.

The branch conducted building lease studies and cost benefit analyses that helped optimize limited budgets. In addition, life cycle costing and cost alternatives for cyclical renewal of existing facilities were carried out. This information offered more flexibility in making decisions and produced lower operating costs.

For the first time, the branch, together with cost consultants, became involved in budgeting and scheduling major civil projects. In the process, cost control methods became recognized as a valuable tool in effective management of the special and environmental aspects of these developments.

In 1993, the Auditor General and the Financial Review Commission recommended that, in the consolidated financial statements, Treasury record and amortize the capital assets of the Alberta government. For the Capital Asset Accounting Project, Cost Planning and Control evaluated the net book value of government-owned buildings that will be incorporated into the Public Accounts for 1993-94.

Together with other provincial departments and the National Research Council, the branch assisted in a study of the cost of energy effectiveness in building systems. The results were included in the



National Energy Code that will be referenced in the 1995 National Building Code.

Working closely with cost consultants based in Hong Kong, the branch provided cost and advisory services on the Petroleum Training Centre, Beijing, China. Construction costs were monitored and tenders for Phase II were evaluated.

To make information more easily available to the department, the branch established a pre-tender estimate library, maintained reference guides on construction work prices, and issued periodic market condition reports on labour, materials, bidding climate and economic outlook. This allowed for greater consistency and accuracy in estimating and forecasting.

## **Health Care Facilities Branch**

During 1993-94, Health Care Facilities Branch provided efficient cost management functions with the objective of reducing funding, establishing effective cost control measures, and improving the business environment and accountability.

Consistent with cuts in grant funding imposed by the government moratorium on health care facilities design and construction, budgets were prepared for 169 capital and capital upgrading projects with a total annual cash flow of \$133 million. This achieved a targeted reduction of \$33 million.

During the planning, design and construction of several health facility projects, the branch, in partnership with the consultant industry, provided hospital boards with professional and technical advice on planning and cost control strategies. This resulted in significant savings, both in costs to the respective boards and in tax dollars.

The branch also assisted health authorities in tendering 37 projects totalling \$34 million. Services provided included cost evaluations, negotiation of change orders and ongoing involvement in the settlement of contractual claims. The expertise and professional experience of the branch resulted in increased confidence and support from user groups. Ongoing cost management functions were maintained on high profile projects such as the Royal Alexandra Hospital, St. Joseph's Auxiliary Hospital and the Cross Cancer Institute, all of which are being controlled within a fixed budget.

In addition to helping Alberta hospital boards, the branch gave the Yukon government advice on budget and space planning for the Whitehorse Hospital. It also provided Alberta Economic Development and Tourism with preliminary cost advice on the Nizhnevartovsk Hospital in Russia.

The branch also conducted life cycle cost studies on various elements

of environmental systems in buildings with particular emphasis on cost benefit analyses for high performance windows and oxygen concentrators. These studies aided the decision process and contributed to the prudent expenditure of funds.

## **Operations and Tender Administration Branch**

Operations and Tender Administration Branch consists of three sections: Tender Administration, Operations and the Records Room

Tender Administration provides tendering services for PWSS construction-related projects. The services include preparing contract documents, placing public advertisements, arranging the printing and issuance of tender documents including addenda, receiving and opening tenders, and answering tender inquiries. Consistent with the department's privatization and downsizing objectives, all tender documents are now printed by the private sector.

Operations provides support services to the other branches of the division as well as providing statistical data and technical information to other government departments. The Records Room is responsible for the maintenance and custody of original project drawings, including shop drawings and as-built specifications documents and all microfilm copies.

During the fiscal year, tenders were invited on 216 invitational projects, involving more than 1,560 contractors across the province. This was a decrease of 27 per cent from last year. Tenders for another 57 projects were publicly advertised and documents were processed for the disposal of 208 liquor stores on behalf of the Alberta Liquor Control Board. The contractors' master file increased by 600 new firms for a total of 4,100 registered contractors specializing in all types of construction and related work.

The Records Room researched and retrieved a daily average of 40 requests for information on drawings, specifications and microfilm from private sector sources, in-house staff, and other government departments. Inventory to date totals over half-a-million documents

Increased automation, privatizing of printing, job sharing and consolidation of record systems all contributed to significant reduction in duplication, resources, time, materials and storage space. Outsourcing of printing also allowed the elimination of two ammonia-based printers and the provision of a more environmentally friendly work place.

Close liaison with the Alberta Construction Association and other government departments in the sharing of information and in identifying and resolving common problems has been of benefit to all parties. Work is under way with industry officials to develop and

implement an electronic tendering system. Agreement on faxing addenda to bidders has produced considerable savings in paper and delivery costs.

Service and response time to requests from the public and other user groups has been noticeably improved by upgrading existing automated access and retrieval systems. The introduction of standard formats enhanced the quality and speed at which questions on construction expenditures were processed.

**The Public Works, Supply and Services Electoral Boundary —**  
Municipal Location Reference Manual was amended to accommodate changes to electoral boundaries as laid down in the final report of the Electoral Boundaries Commission. This included the task of re-siting rural locations into appropriate constituencies and revising the standard location table. The manual contains constituency maps and location listings arranged alphabetically and cross-referenced with the electoral description, MLA name, address and phone numbers.



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## Human Resources Division

### Report from the Executive Director

With our recent restructuring, more than the name of the former Personnel Division has changed. Now called the Human Resources Division, it was reorganized to achieve the goal of providing timely, accurate and innovative human resource services to line management. The role of divisional staff is focused on providing a proactive consultative service in all areas of human resource management.

The newly formed Human Resource Services group combines all consulting services in one unit. Human Resource Consultants, using their knowledge of the business plans for PWSS, focus on the needs of the operations while working within the parameters of Alberta government personnel regulations, policies and procedures.

Special initiatives such as the Separation Payment for Restructuring Program have been coordinated with our payroll and benefits administration unit. In the 1993-94 fiscal year, approximately 105 employees took voluntary separation after being approved for a severance payment.

Our Occupational Health and Safety unit continues to promote worksite health and safety practices and is our contact with the Workers' Compensation Board (WCB) for any claims. With a 55 per cent reduction in total days lost due to worksite accidents, our WCB costs decreased by \$120,000 this fiscal year.

Keeping pace with the information needs of management has been a challenge for our Business Information and Support area. Using data bases from Personnel Administration Office and Treasury, departmental reporting systems are made more user friendly.

One of our major goals this past year was to assist line management in implementing the Workforce Reduction Plan. Giving employees notice of job termination is a difficult task. To prepare managers and to ensure that affected employees were treated with compassion, planning for downsizing began well before any employees were given notice. The division played a strategic role in the design, development and delivery of workforce reduction programs for the department. The programs included arranging workshops in pension and financial planning, starting your own business, unemployment insurance, resume writing and interviewing techniques. In January 1994, 212 employees (a mix of permanent and non-permanent employees) were given notice.

**Employees, Full-Time Equivalents (FTEs)**

<b>1993-94</b>		<b>1994-95</b>
<b>Target</b>	<b>Actual</b>	<b>Target</b>
2,152	2,134	1,853 (a reduction of 281 FTEs)

Although 212 employees were given notice of termination, not all terminations were completed in this fiscal year. Reduction is being accomplished in phases, to ensure effective outsourcing or privatization of the program areas. For example, Print Services Branch, and Warehouse and Distribution Branch services will be provided by the private sector and are being phased out over a period of time.

With approximately 105 additional requests for voluntary separation payments, PWSS successfully met our budget target of 1,853 FTEs for the start of the 1994-95 fiscal year.

Redeployment of the remaining employees has effectively met the department's staffing needs. In its supporting role, the Human Resources Division will continue to assist in ongoing restructuring initiatives to achieve the goals of the department's business plan.

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# Communications

## Report from the Director

Communications' mission is to provide creative and effective communications support to Public Works, Supply and Services in a professional manner.

With the new Premier came a new direction for government and a new minister for PWSS. As a result, the department underwent many changes during the 1993-94 fiscal year. Communications was kept busy providing communication support to inform employees, the public and media of these changes.

The government's goal is to be a more open, accountable government, and one that lives within the taxpayers' means. This new direction changed the role of PWSS Communications from one that was specifically event and product oriented to one that concentrated on sharing information and listening to Albertans, including departmental employees and other government departments.

The change in workload allowed Communications to downsize through the Voluntary Separation Allowance Program and attrition. The number of staff was reduced from 11 in April 1993 to five in March 1994. Additional work is contracted to the private sector.

One of Communications goals is to recognize and respond to issues and concerns that affect the department and to work with the department to resolve them with appropriate communications strategies. In January 1994, the department participated in the Alberta government's Workforce Reduction Plan. The department's plan called for the reduction of 212 staff positions as a result of downsizing, restructuring and outsourcing of services to the private sector. Communications provided support and assistance to management regarding this initiative. Information was also provided to remaining staff, other government departments and external audiences to make them aware of the department's Workforce Reduction Plan, why it was necessary and how it would affect them.

Communications also played an integral role in the announcement of the department's three-year business plan. A news release package was released to announce the plan and an information package was distributed to all PWSS employees immediately following the announcement.

Another goal of Communications is to identify department initiatives



that would directly benefit the public and to develop communications strategies to make the public aware of these initiatives. When PWSS subscribed to the Open Bidding Service (OBS) in the spring of 1993, Communications organized a news conference announcing this service which provides Alberta companies with electronic access to billions of dollars of federal and provincial procurement opportunities. Communications continues to provide updated information on OBS to the business community through the department's procurement newsletter, *The Source*.

A third goal of Communications is to measure our communication performance regularly and provide results and recommendations to the department. The Winter 1994 issue of *The Source* contained a survey to obtain readers' opinion on the content and style of the newsletter. Included in the survey were questions on the OBS program, to find out what the users or potential users thought of the new system. The results will be reported in the next issue of *The Source*.

In November 1993, part of the Alberta government's social housing program was transferred from Alberta Municipal Affairs to PWSS. Communications became responsible for coordinating with the Canada Mortgage and Housing Corporation the official openings of any new seniors lodges or public non-profit housing projects.

Communications helped fulfil PWSS' goal of being an environmentally sensitive organization by participating in a number of initiatives and activities that were environmentally responsible. The Communications representative on the PWSS Environment Group helped ensure that staff were kept informed of environmental initiatives the department has undertaken. Communications also developed an environmental display for use in PWSS facilities and at trade shows. In addition, the Environment Group developed a set of environmental principles, a green blueprint which guides the department's activities. Communications issued a news release announcing this initiative and sent a copy of the principles to environmental organizations, publications and media.

Environmental Impact Assessments (EIAs) continued on the proposed Little Bow and Pine Coulee reservoir projects. Communications produced an Information Update on the Pine Coulee Project for area residents and helped organize two public open houses in Staveland and Champion explaining the EIA for the project. A display for the proposed Little Bow Project was also prepared for use in upcoming open houses.

### Other Highlights

- responded to more than 125 media inquiries, an increase from 95 in 1992-93
- issued 25 news releases, down from 180 in 1992-93. This reduction resulted from the provincial election and the government's subsequent deficit reduction program which put many capital projects on hold. Also, to consolidate programs, the Grants-in-Lieu of Taxes Program administered by PWSS was transferred to Municipal Affairs, again reducing the number of news releases required.
- organized 16 special events (sod turnings, official openings and unveilings)
- wrote, produced and distributed two issues of *The Source*, a newsletter that informs Alberta companies of business opportunities available through the Alberta government
- edited, produced and distributed two issues of *The Works*, the department's staff newsletter

## Appendix — Financial Statements

### Public Works, Supply and Services

#### Comparative Statement of Actual Expenditure (\$000)

Program/Sub-Program		1993-94	1992-93*
<b>Program 1 — Departmental Support Services</b>			
1.0.1	Minister's Office	260	372
1.0.2	Deputy Minister's Office	257	251
1.0.3	Communications Administration	359	504
1.0.4	Personnel	2,429	2,655
1.0.5	Finance and Administration	5,402	5,661
1.0.6	Cost Control and Tender Administration	1,581	1,844
		<b>10,288</b>	<b>11,287</b>
<b>Program 2 — Land Assembly</b>			
2.1	Administrative Support	1,393	1,627
2.2	Community Development	—	82
2.3	Environmental Protection	6,423	2,065
2.4	Agriculture, Food and Rural Development	—	99
2.5	Reimbursement of Land Purchase Fund	12,682	—
		<b>20,498</b>	<b>3,873</b>
<b>Program 3 — Management of Properties</b>			
3.1	Administrative Support	260	304
3.2	Accommodation Planning	8,256	9,453
3.3	Realty	98,681	100,268
3.4	Telecommunications	42,275	46,246
3.5	Property Management	103,543	111,189
		<b>253,015</b>	<b>267,460</b>

\*The 1992-93 figures have been restated where necessary to conform to the 1993-94 presentation.



**Comparative Statement of Actual Expenditure  
(\$000)**

<b>Program/Sub-Program</b>		<b>1993-94</b>	<b>1992-93</b>
<b>Program 4 — Planning and Implementation of Construction Projects</b>			
4.1	Administrative Support	19,588	20,539
4.32	Advanced Education and Career Development	873	2,693
4.33	Agriculture, Food and Rural Development	149	87
4.34	Community Development	249	358
4.35	Economic Development and Tourism	859	843
4.36	Education	419	528
4.38	Environmental Protection	2,519	4,911
4.39	Executive Council	126	206
4.40	Family and Social Services	483	2,098
4.42	Justice	2,054	10,314
4.43	Labour	195	459
4.44	PWSS, Multi-Use Facilities	8,088	12,956
4.44.50	Capital Fund Principal Repayments	70,422	57,651
4.46	Transportation and Utilities	269	924
		<b>106,293</b>	<b>114,567</b>
<b>Program 5 — Central Services and Acquisition of Supplies</b>			
5.1	Administrative Support	241	348
5.2	Procurement	3,866	3,695
5.3	Information Technology Management	3,691	4,083
5.4	Supply Operations	2,331	2,205
5.5	Government Transportation	8,653	9,831
		<b>18,782</b>	<b>20,162</b>
<b>Total Programs 1 – 5</b>		<b>408,876</b>	<b>417,349</b>

**Comparative Statement of Actual Expenditure  
(\$000)**

<b>Program/Sub-Program</b>	<b>1993-94</b>	<b>1992-93</b>
<b>Statutory Appropriations</b>		
PWSS Revolving Fund	(48,482)	(9,478)
Land Trades and Nominal Sum Dispositions	14,519	16,174
	<u>(33,963)</u>	<u>6,696</u>
<b>Total General Revenue Fund</b>	<b>374,913</b>	<b>424,045</b>
<b>Capital Fund</b>		
Construction of Health Care Facilities	133,281	159,552
Construction of Water Development Projects	3,368	22,632
Construction of Government Facilities	—	1,025
Construction of Social Housing	15,480	9,900
<b>Total Capital Fund</b>	<b>152,129</b>	<b>193,109</b>
<b>TOTAL MINISTRY</b>	<b>527,042</b>	<b>617,154</b>

**Comparative Statement of Revenues  
for Year Ended March 31, 1994**

	<b>1993-94 \$000</b>	<b>1992-93 \$000</b>
<b>Transfers from Government of Canada</b>	<b>—</b>	<b>103</b>
Federal Sales Tax Refunds	—	103
<b>Fees, Permits and Licences</b>	<b>3,028</b>	<b>2,561</b>
Civil Service Parking	3,028	2,561
<b>Other Revenue</b>	<b>39,869</b>	<b>41,013</b>
Refunds of Expenditure		
Previous years' refunds	6,212	6,046
Surplus sales	1,260	535
Sale of Assets		
Land	20,319	21,131
Other	275	6
Miscellaneous		
Rentals	9,970	12,466
Other	1,833	829
<b>Total Revenue</b>	<b>42,897</b>	<b>43,677</b>







